# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

UNSTARRED QUESTION NO:1973
ANSWERED ON:29.11.2007
.
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a) whether the approx. 90% of the oil demand of the country is met from imports;

(b) if so, the details thereof indicating the value of oil imports during the last three years;

(c) whether inspite of huge discovery of oil blocks in the country, the oil imports has been increasing;

(d) if so, the reasons therefor with the detailed break up of the domestic product, import and consumption of the oil in the country during the last three years;

(e) whether the strategy of the Government to offer oil blocks to private sector and even multi national companies (MNCs) failed to the target of oil production to meet the domestic demand.

(f) if so, the facts in this regards and details of further planning to reduce import of Oil; (g) the impact of import of oil on national economy; and (h) the details of steps taken to increase the domestic production of oil and to create "Buffer Stock"?

## Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) & (b) No, Sir. In the year 2006-07, about 79% of the crude oil processed in the refineries was imported. The details of crude oil imports during the last three years are as under :

| Year | Quantity(MMT) | Value (Rs. Crore) |
|---|---|---|
| 2004-05 | 95.9 | 117003 |
| 2005-06 | 99.4 | 171702 |
| 2006-07 | 111.5 | 219029 |

(c) to (f) & (h) Yes, Sir. Crude oil import has been rising during the past years with increase in refining capacity and domestic crude oil production level remaining almoststagnant in the same period. The details of domestic production, import and processing of crude oil during last three years are as under :-

| Year | Prod. (without condensate) | Import | Processing |
|---|---|---|---|
| 2004-05 | 32.1 | 95.9 | 124.3 |
| 2005-06 | 30.1 | 99.4 | 127.0 |

2006-07 31.5 111.5 141.5

Government of India awarded 190 exploration blocks to different companies under various bidding rounds of Pre NELP and NELP. Exploration work in these blocks have resulted in 79 oil/gas discoveries so far. Out of 79 discoveries, 32 discoveries have been declared commercial,accreting 951 MMT of inplace oil and oil equivalent of gas (O+OEG). The remaining discoveries are under various phases of appraisal/evaluation. Private companies/JVs have produced 4.83 MMT of oil as against target 4.69 MMT in the year 2006-07.Various measures are being taken on a continuous basis to reduce oil import, to increase the domestic production of oil and to create "Buffer Stock" in the country, which are as follows :

i. Carving out more and more areas for exploration for offer under the New Exploration Licensing Policy (NELP).
ii. Quicker development of discovered reserves for enabling commencement of production.
iii. Use of stimulation techniques for increasing production from existing fields.
iv. Application of Enhanced Oil Recovery (EOR)/ Improved Oil Recovery (IOR) techniques for increasing recovery factor from existing fields.
v. Arresting decline from ageing fields.
vi. Acquisition of exploration acreages and oil producing properties overseas, to bring in equity oil.
vii. Substitution of oil through use of non-conventional source of energy such as bio-diesel, ethanol, etc.
viii. Government has taken a decision to create a "Buffer Stock" of Crude Oil by constructing a Strategic Storage of crude oil of 5 MMT capacity at three locations viz. Visakhapatnam,Mangalore and Padur. This "buffer" or storage will help the country to deal with short term supply disruption/ abnormal increase of international oil prices/ in the event of natural calamity etc.

(g) Yes Sir, In view of the fact that 79% of our crude requirement is met through imports the escalating international prices do have an impact on the domestic prices of petroleum products.